

FIRE INSURANCE ESSENTIALS - A PRIMER FOR THE MORTGAGE PROFESSIONAL

Pre-approved by CAAMP for 6 CE Units (Professional Development)

Without fire insurance, there would be no mortgage industry. Which lender would be prepared to put his assets at risk by lending money on the basis of security that could vanish in a puff of smoke? But insurance is poorly understood by many; and mortgage professionals could be included as those who might have a somewhat hazy concept of what insurance involves.

Of course the purpose of this workshop is not to make participants experts in any single aspect of insurance, but to introduce them to how fire

insurance protects both the mortgagor and the mortgagee. With this knowledge they will show themselves to be informed professionals as they interact with clients, lenders, lawyers and insurance providers.

For some, an all-day insurance workshop will have all the appeal of dental surgery, but we will approach the topic with good humour and an engaging interactive presentation style that will keep participants involved and interested throughout the day.

Seminar Outline

1. Fire insurance – a brief history
2. Three basic insurance principles
 - a. Indemnity
 - b. Insurable interest
 - c. Utmost good faith
3. The Standard Fire Policy
4. How much will a fire insurance policy pay?
5. Subrogation
6. The Standard Mortgage Clause
 - a. What it does for a lender
 - b. Applicable conditions
7. The Coinsurance Clause
 - a. Why insurers use it
 - b. What it does
 - c. No special protection for lenders
8. Basis of claims settlement
 - a. Actual Cash Value
 - b. Replacement Cost
 - c. Guaranteed Replacement Cost
9. Named Perils versus “All Risks” coverage
10. Business Interruption
11. Contract Bonding